

CONNELL FOLEY LLP
Joao F. Magalhaes, Esq. (NJ Bar No. 004802008)
One Newark Center
1085 Raymond Boulevard, 19th Floor
Newark, NJ 07102
973-436-5800
*Counsel to Claimant John W. Van Tubergen Jr.,
Creditor of BlockFi Lending LLC*

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

BLOCKFI INC., *et al.*,

Debtors.

Chapter 11

Case No. 22-19361 (MBK)

(Jointly Administered)

Proof of Claim No. 7233

**CERTIFICATION OF CLAIMANT JOHN W. VAN TUBERGEN JR.
IN SUPPORT OF RESPONSE TO
DEBTORS' SEVENTH OMNIBUS OBJECTION TO CERTAIN CLAIMS**

I, JOHN W. VAN TUBERGEN JR., being of full age, hereby certify as follows:

1. I am a creditor of the bankruptcy estate of BlockFi Lending LLC ("BlockFi Lending"), and I respectfully submit this certification in response to the *Debtors' Seventh Omnibus Objection to Certain Claims* filed by BlockFi Inc. ("BlockFi"), BlockFi Lending, and their related debtors (collectively, the "Debtors"). I am personally familiar with the facts which are contained herein, except where stated upon information and belief, in which instances my representations are made in good faith following diligent inquiry. Also, I have annexed certain communications to this certification, and in doing so have redacted the names of the individuals other than myself who either sent, received or were copied on such communications, and will instead be referring to those individuals as, for example, "Agent 1," "Agent 2," *etc.*, with the designation for each agent appearing on the redacted portion of each communication annexed hereto.

2. On March 15, 2023, I filed *Proof of Claim No. 7233* (the/my “Claim”) against the bankruptcy estate of BlockFi Lending, Bankr. D.N.J. Case No. 22-19365, in the amount of ten million dollars (\$10,000,000.00) on account of cryptocurrency assets, posted as collateral in good faith reliance upon BlockFi Lending’s proper management and administration of same, but which were either wrongfully converted (whether through liquidation or otherwise, as explained below) or caused to be diminished in value as a result of BlockFi Lending’s wrongful conduct. The assets of mine that I entrusted with BlockFi Lending as collateral generally consisted of Bitcoin (at times referred to herein as “BTC”) and Ethereum (at times referred to herein as “ETH”) cryptocurrencies. These assets had been posted as collateral in connection with Loan and Security Agreements (each a “LSA,” and collectively “LSAs”) between myself and BlockFi Lending.

A. Overview of the Claim

3. My Claim was filed to the best of my ability as a layperson upon reliance upon advisories received on behalf of the Debtors, including from Kroll Restructuring Administration LLC (“Kroll”). A copy of my Claim is annexed as Exhibit A. The amount of my Claim represents a good faith estimation of cryptocurrency assets that were either taken, quite literally lost, or caused to be diminished in value as a result of improper and/or overly aggressive margins calls (“Trigger Events” under the LSAs). Annexed to my Claim was a liquidation summary based upon the information available to me at the time of filing (the “Liquidation Summary”). Essentially, the forced sale amounts of cryptocurrency pre- and post-liquidation coordinate with the amount of my Claim, which is based upon the value of the cryptocurrency at the time of forced liquidation. My Claim amount was verified based on historical price data on major exchanges, as well as a Google/Yahoo search which will confirm the amounts by the dates in which the forced liquidations occurred.

4. This certification seeks to further elaborate my Claim, while also providing background and context to both assist the Court and to demonstrate why I believe that I am a victim of BlockFi Lending's negligence and wrongful – I would argue predatory – targeting manner of conducting business. I was a diligent, good customer of BlockFi Lending who made my payments under the LSAs. I created my account with BlockFi Lending on April 17, 2019, based on their representations of being a safe management solution for my cryptocurrency portfolio. Unfortunately, during the course of my relationship with BlockFi Lending, I believe that I was coerced to enter into thirty-seven (37) separate lending transactions in a continuous loop to refinance and restructure my relationship with BlockFi Lending so as to ensure that my posted collateral was not forcefully liquidated, yet seemingly each time my posted collateral was subsequently liquidated by BlockFi Lending. Each transaction with BlockFi Lending was memorialized by a separate LSA that utilized what appear to be identical contractual language, but with varying numerical and percentage inputs. Representative examples of the LSAs are annexed hereto, as described below.

B. Exposition of Claim & Liquidation Summary

5. **BlockFi Loan No. 558207a5.** My loan account associated with BlockFi Loan No. 558207a5, which was made on May 12, 2021, see Exhibit B hereto, was prematurely and/or otherwise wrongfully and manually not automatically, forcefully liquidated on May 19, 2021, as shown by the following facts:

- a. The loan amount was \$6,300,300.00, and the collateral posted was 3047.14 ETH, at a value per ETH of \$4,135.22, thus a total posted collateral value of \$12,600,594.27.
- b. I had posted an additional 236.46 ETH to the original 3047.14 ETH, thereby increasing the total to 3283.60 ETH, as reflected by the Liquidation Summary entry of 5/19/2021.

- c. BlockFi Loan No. 558207a5 was a consolidation refinance loan, that Agent 3 (identified elsewhere) had guided me to obtain, which combined significant portions of my ETH into one loan. Agent 3 had suggested that this would be a good thing to do, as I had been previously guided to do in connection with BTC loans discussed below.
- d. Between May 12 and May 19, 2021, I posted another 236.46 ETH as additional collateral before the premature, manually-orchestrated liquidation occurred. Accordingly, there was an increase in the collateral amount of ETH from the 3047.14 ETH featured in BlockFi Loan No. 558207a5, to the 3283.60 ETH featured on the Liquidation Summary.
- e. The dollar¹ value per ETH of the additional 236.46 ETH was \$3491.10 per ETH, totaling \$825,506.68. This is in addition to the or original amount of collateral posted for the loan in the amount of \$12,600,594.27. In calculating these figures, I utilized Yahoo Finance ETH historical data to obtain the daily average dollar amount of the time period between May 12 and May 19, 2021, to ascertain the average value of the additional ETH collateral. See Exhibit C. This is also why you see a difference from the consolidation refinance loan LSA and the post collateral amount of 3283.60 ETH on the Liquidation Summary.
- f. On May 19, 2021, only one week after pushing me into the consolidation refinance (i.e. BlockFi Loan No. 558207a5), BlockFi Lending prematurely and forcefully liquidated my collateral in the amount of 1565.25 ETH, valued at \$3,540,582.38. BlockFi Lending prematurely and manually liquidated my ETH account at an average value per ETH of \$2262, as reflected by the Liquidation Summary. BlockFi Lending had set the original value of my ETH at the time of the original (pre-consolidation) LSA at \$4,135.22 per ETH, yet downgraded its value to \$2262 per ETH at the time of the premature liquidation, which represents almost half of my originating value (\$1873.22), not including the additional collateral I posted before the premature liquidation.
- g. Worse yet, and as would become a pattern, BlockFi Lending forcefully and manually liquidated my account even though I had more than two million dollars (\$2M+) worth of additional collateral posted in my BlockFi Wallet account at the time, which BlockFi Lending was aware of because they of course had access to all of my BlockFi accounts, and equally important, which BlockFi Lending utilized as collateral in other instances, including (but not necessarily limited to) in connection with Block Loan Nos. 250568f4 and 176fcbc3 (discussed below in Paragraphs 6 and 7).
- h. For the next two months, I constantly asked BlockFi Lending to address and fix what they did in connection with BlockFi Loan No. 558207a5, and in general my Ethereum collateral holdings with BlockFi Lending. BlockFi Lending's failures to do so ended up being the beginning of the bigger problem with

¹ Any references to "dollars" herein shall be to United States dollars (USD).

BlockFi Lending that ultimately cost me over ten million dollars (\$10M+). Additional facts regarding my Ethereum collateral holdings are discussed below in Paragraph 8.

6. **BlockFi Loan Nos. 250568f4 & 176fcbc.** My BlockFi Loans Nos. 250568f4 and 176fcbc, *see* Exhibit D and Exhibit E hereto, as identified in greater detail immediately below, evidence that BlockFi Lending did not operate in a consistent or automated manner in engineering the seizure of my collateral, but rather created their own rules of the road as they pleased, as shown by the following facts:

- a. I executed BlockFi Loan No. 250568f4 on May 3, 2021. *See* Exhibit D. The loan amount for this loan was \$1,856,300.00, and the collateral posted was 64.030 BTC, at a value per BTC of \$57,982.19, thus a total posted collateral value of \$3,712,600.00. Between May 3, 2021, and June 22, 2021, I posted an additional fourteen (14) BTC as further collateral for this loan (which is why you see a difference on the Liquidation Summary post-liquidation amount of 78.383 BTC).
- b. I executed BlockFi Loan No. 176fcbc3 on May 5, 2021. *See* Exhibit E. The loan amount for this loan was \$1,000,300.00, and the collateral posted was 34.870 BTC, at a value per BTC of \$57,527.96, thus a total posted collateral value of \$2,006,000.00. Between May 5, 2021, and June 22, 2021, I posted an additional 7.624 BTC as further collateral for this loan (which is why you see a difference on the Liquidation Summary post-liquidation amount of 42.494 BTC).
- c. Both the loans discussed in this Paragraph 6 were forcefully liquidated on June 22, 2021. As relevant to my Claim (among other relevance as discussed below in Paragraph 7), these liquidations removed most of the additional collateral which I had available in my BlockFi Wallet account before the premature liquidation of my Ethereum collateral in connection with BlockFi Loan No. 558207a5. Consequently, this caused me to use my reserve collateral to try and save my Bitcoin-related loans, as instructed by BlockFi Lending, and to constantly post more in order to prevent the same thing that happened to my Ethereum-related loans.
- d. Effectively, BlockFi Lending made me post more collateral to my BTC-related loans instead of having the ability to use my collateral to post against my ETH-related loans since they already prematurely liquidated such ETH-related loans. Also, as discussed elsewhere herein, I did not receive a response to my concerns regarding my ETH-related loans (which I maintain were prematurely liquidated) until after these BTC-related loans were liquidated. If I had had the

option, I would have liquidated-out the BTC related-loans at a much higher value, and then myself posted additional collateral to my ETH-related loans to preserve asset value. However, because BlockFi Lending did not address my concerns in time, the approximate two-month delay cost me my BTC-related loan collateral and my additional collateral reserves.

7. **BlockFi Loan Nos. 736435a7 & ce7f64ed.** My BlockFi Loans Nos. 736435a7 & ce7f64ed, *see* Exhibit F and Exhibit G hereto, as identified in greater detail immediately below, evidence that my attempts to recover my posted collateral by way of closing and cashing-out loans were frustrated by BlockFi Lending's pressure to refinance, and other issues impairing my ability to actively manage and protect my accounts, as shown by the following facts:

- a. I executed BlockFi Loan No. 736435a7 on November 2, 2021. *See* Exhibit F. The loan amount for this loan was \$2,298,300.00, and the collateral posted was 72.050 BTC, at a value per BTC of at \$63,797.36, thus a total posted collateral value of \$4,596,599.79.
- b. I executed BlockFi Loan No. ce7f64ed on November 2, 2021. *See* Exhibit G. The loan amount for this loan was \$1,245,949.14, and the collateral posted was 39.050 BTC, at a value per BTC of \$63,813.01, thus a total posted collateral value of \$2,491,898.04.
- c. Following the liquidation of my Bitcoin related loans (discussed above in Paragraph 6), I requested to cash-out Ethereum-related loans. Specifically, I called Agent 3 and requested to cash-out the above-referenced predecessor loans, BlockFi Loan Nos. 250568f4 (refinanced as No. 736435a7) and 176fcbc3 (refinanced as No. ce7f64ed). Yet I was reassured that a refinancing was the way to go to recover my losses. Notwithstanding, these loans were forcefully liquidated on January 21, 2022 and May 9, 2022.
- d. On May 6, 2022, I contacted Agent 3 via telephone and text message to attempt to cash-out. I was told that Agent 3 was busy, and did not receive any clarity on how to cash-out. Agent 3 further stated that BlockFi Lending would cease selling collateral at 5:00 p.m., and that they opened again at 9:00 a.m. on Monday (May 6, 2022 was a Friday). Yet, upon information and belief, they were closing their operations for the weekend, but still allowing for liquidations during off-hours, and I was rendered unable to cash-out (or post additional collateral, however my intent on Friday, May 6 was to cash-out). To my detriment, the cryptocurrency market crashed over that weekend.
- e. Ultimately, after continuing to request a cash-out, on May 12, 2022, I voluntarily cashed-out my collateral associated with BlockFi Loan No.

736435a7, and received 6.73 BTC, with an estimated value per BTC of \$28,262.16, for a total value of \$190,204.36.

8. **BlockFi Loan No. 1a118e43.** My loan account associated with BlockFi Loan No. 1a118e43, which was made on July 7, 2021, see Exhibit H hereto, evidences that BlockFi Lending continued to wrongfully abuse my posted collateral, and conduct business in a predatory manner, as shown by the following facts:

- a. The loan amount was \$5,928,830.21, and the collateral posted was 4,230.120 ETH. This loan resulted from the issues discussed above in Paragraph 5, which resulted in my seeking redress and solutions from BlockFi Lending for their unwarranted liquidation of my collateral. Effectively, Agent 5, a higher-up at BlockFi Lending, utilized the unfair and precarious position I was placed in as leverage against me by offering a “take it or leave it” loan with an oppressive loan-to-value (LTV) ratio upwards of 90%. To be clear, this was conveyed to me as the only option to recover my prematurely liquidated Ethereum collateral back to my account during my conversations with Agent 5, as further explained elsewhere herein in Paragraph 15. Presented with little alternative to recover my ETH assets, I entered into with BlockFi Loan No. 1a118e43, but I believe that I was coerced into doing so.
- b. Incredibly, BlockFi Lending forcefully liquidated Loan No. 1a118e43 on July 13, 2021, one week after it had initiated such loan, which I believe was predatory given, among other things, that it resulted from the difficult position that I had been placed in by BlockFi Lending itself, together a 90% LTV clause, and after they had collected \$3,471,443.75. towards the loan balance. Blockfi not only took the original premature liquidation collateral but as well as an additional 461 ETH on top of it.
- c. Making matters worse, as shown by the Liquidation Summary, when this loan was eventually forcefully liquidated on July 13, 2021, only 3334.9282 ETH was accounted-for as posted collateral, when it was actually 4230.210 ETH that was posted. This equals a difference of 895.2818 ETH that, upon information and belief, remains unaccounted-for.
- d. Shocked by what had transpired, I requested that BlockFi Lending address the obvious inequities that were being imposed upon me, and asked Agent 5, who I knew had full discretion and authority to assist me (for reasons discussed elsewhere herein), for a reduction of my loan sizes by \$3 million so as to enable the return of my assets, which I believed were being wrongfully seized to benefit BlockFi Lending or presently-unknown third parties.

- e. Notwithstanding, on July 13, 2021, a week or so after selling 1,781.305297 ETH from my account, BlockFi Lending – still not accounting-for 895.2818 ETH – proceeded to liquidate my account again, resulting in a collateral balance of 735.19500623 ETH (which should have been 1,630.4768 ETH).

9. **BlockFi Loan No. 5be66333.** My loan account associated with BlockFi Loan No. 5be66333, which was made on November 2, 2021, see Exhibit I hereto, further evidences that BlockFi Lending continued to wrongfully abuse my posted collateral and conduct business in a predatory manner, as shown by the following facts:

- a. In the time that followed the liquidations described in Paragraph 8 in connection with BlockFi Loan No. 1a118e43, I continued to request that BlockFi Lending address and correct its wrongs. Getting nowhere, I contacted Agent 3 to seek to finally cash-out any and all assets of mine that were posted as collateral with BlockFi Lending. Again, however, I was pushed into refinancing.
- b. BlockFi Loan No. 5be66333 resulted, with a loan amount of \$1,622,000.00, and collateral posted in the amount of 719.830 ETH.
- c. Subsequently, I was pressured into posting additional collateral of 122.092 ETH, after again being assured by Agent 3 that such further collateral would aid in me protecting my assets.
- d. Notwithstanding, shortly thereafter, on January 21, 2022, my account was again liquidated.
- e. I determined to cease my business relationship with BlockFi Lending. Unfortunately, as noted above in Paragraph 7, my requests to seek cashing-out were often frustrated. Eventually, however, on May 11, 2022, I was finally able to process a voluntary cash-out of Loan No. 5be66333, in the process reclaiming only 107.187 ETH, at \$2,140.82 per ETH, for a total value of \$229,468.07.

10. **Summary of Losses/Damages.** As noted, my Claim was filed to the best of my ability as a layperson. I am unfamiliar with the bankruptcy process, however I sought to put forth a good estimation of my lost asset value that resulted from the conduct of BlockFi Lending (which is further described in Part C of this certification). In the absence of additional records, the most critical of which I have been refused access to (as I also further address below), By Blockfi

breaching our LSA's with the manual premature liquidations, predatory loans, and unethical business practices, I calculated my damages to be at least \$10 million based upon the following:

- a. Even if one looks solely at three loans – BlockFi Loans Nos. 558207a5, 250568f4 and 176fcbc3, the combined original loan amounts for such loans \$9,156,900.00. The combined total loan collateral amounts at the time these loans were made (and subject to a potential minimum LTV of 50%) was \$18,319,194.27. Therefore, in light of the facts and circumstances of this matter, I utilized the net difference of \$9,162,294.27 in calculating my damages.
- b. In addition, I posted the following additional collateral that was also seized by BlockFi Lending, including the 895.2818 ETH that went unaccounted-for (as described above in Paragraph 8):
 - i. 14 BTC in connection with BlockFi Loan No. 250568f4;
 - ii. 3 BTC in connection with BlockFi Loan No. 736435a7;
 - iii. 7.624 BTC in connection with BlockFi Loan No. 176fcbc3;
 - iv. 895.2818 ETH in connection with BlockFi Loan No. 1a118e43; and
 - v. 122.092 ETH in connection with BlockFi Loan No. 5be66333.
- c. Furthermore, upon information and belief, in or about 2019, “Scratch,” an entity owned by BlockFi Lending or its affiliates, caused unauthorized UCC liens to be placed on personal property of mine that was outside of any collateral in connection with the LSAs. These UCC liens were found when applying for business operating software for my business, which I never consented to, nor related in any way to collateral interests of BlockFi Lending. On April 20, 2023, I reached out to Scratch to demand removal of such UCC liens. *See Exhibit J*. Scratch falsely claimed that these liens had been consented-to, and only after extensive back-and-forth did they admit their mistake and agree to file UCC-3 termination statements. *See Exhibit K*; *see also Exhibit H* (email admission from Agent 6 that BlockFi Lending only accepts cryptocurrency collateral matching the type utilized by a subject loan). These unauthorized UCC filings damaged my non-BlockFi Management affairs and transactions, as I can further detail to the Court.
- d. Finally, while at this time I cannot ascribe monetary value to this consideration, I cannot begin to describe the physical and emotional toll that these facts and circumstances have had on my family and I.

C. Additional Background

11. **Erroneous Margin Calls.** In November 2019, I was wrongly threatened with liquidation of my collateral even after posting sufficient additional collateral. Specifically, I posted two additional Bitcoin as collateral to avoid the seemingly apparent liquidation of my collateral, based on emails I had received, yet afterwards I continued to receive emails, in apparent error, stating that my loans were in default status (“Your Loan Is In Margin Call”). This confusion and technical errors associated with BlockFi Lending’s system were acknowledged by Agent 1. *See Exhibit M* (email sent December 4, 2019, from Agent 1 to the undersigned). I thus sincerely question whether the prior margin calls, which had induced me to post more collateral, had been validly issued.

12. **Erroneous Liquidations.** Then, in March 2020, BlockFi Lending prematurely performed a margin call liquidation in connection with my loans despite my having posted sufficient collateral; this error was as follows:

Crypto Sold: -6.80676 BTC
USD Raised: \$32,400.19

		Pre-Liquidation		Post Liquidation		
Loan IDs	Collateral	Loan Balance	Collateral	Collateral Sold	Loan Balance	Collateral
24f055b9	BTC	\$85,679.54	20.70686	-6.80676	\$53,279.35	13.9001

In an email sent to me by Agent 2 on March 13, 2020, Agent 2 apologized for the error and stated “we are internally investigating this and are hoping to figure out the best case scenario to reverse the liquidation.” *See Exhibit N* (annexing such email). Although this collateral was eventually reinstated, errors like these occurred on multiple occasions. A few days later, on March 16, 2020, I sent an email to Agent 2 confirming the erroneous liquidation of 6.8 BTC, and noting that I was still receiving bogus margin calls despite posted 24.7 BTC as collateral for two loans totaling

eighty-six thousand (\$86,000.00). Therefore as I correctly stated to Agent 2, “you have more collateral of mine than the actual loan size itself.” See Exhibit O (annexing email sent by the undersigned to Agent 2 on March 16, 2020). On other occasions, I was assured (including, in particular, by Agent 3) that I had been removed from the liquidation list, yet liquidation of collateral proceeded.

13. **Pressure to Refinance.** From April 2020 onward, I believe that I was pressured to avoid paying off my accounts with BlockFi Lending, and instead was subjected to continuous solicitations to refinance and post additional collateral. I often made my desire to pay off my accounts known, *see, e.g.,* Exhibit P (annexing email sent by the undersigned to Agent 3 on December 29, 2020, wherein I stated that “I can’t get thr[ough] on the phone but I need to speak about paying off account today please”), but I was seemingly always diverted to refinance options. For example, when I requested access to an over-the-counter (OTC) desk to expedite my requests in the event that I sought to exit my relationship with BlockFi Lending, but was told by Agent 4 that the OTC desk would not be a fit due to volume requirements[,]” and was further advised (in addition to being given an apparent “VIP” client email address) that “your best course of action would be to continue borrowing as you have been and executing the trade.” See Exhibit Q (annexing email sent by Agent 4 to the undersigned on February 24, 2021). Therefore I was advised to continue borrowing, to my detriment. It should also be noted that when I later attempted to access the VIP portal, BlockFi Lending reverted me back to working with Agent 3.

14. **Reliance Upon Financial and Investment Advice.** Relying upon the advice I was given to constantly refinance, in 2021 I significantly increased my deposits with BlockFi, as well as the loan sizes. Again, I would have multiple conversations about paying off my loans but would always be reassured that everything was fine and that I should just continue to refinance my loans

that BlockFi was looking out for me and my accounts. Most of the loans that I would receive would be used to purchase more cryptocurrency via BlockFi's exchange platform. This process also generated the funds to make the monthly payments that Agent 3 would arrange to have taken out of my BlockFi Wallet account (said Wallet account is also where my extra internal collateral was held, consisting of Bitcoin, Ethereum, and Chainlink cryptocurrencies).

15. **Inconsistent Standards and Protocols.** Following the erroneous liquidation detailed above in Paragraphs 12 and 13, I was introduced to Agent 5, someone who can be reasonably described as being at the highest decision-making levels of BlockFi Lending. Therefore, upon information and belief, Agent 5 had the power to quickly fix the premature liquidation that was forced by BlockFi Lending in connection with BlockFi Loan No. 558207a5, as described above in Paragraph 5, but chose not to, and instead allowed my perilous position to continue for approximately two months. *See Exhibit R and Exhibit S.* By choosing to refrain from correcting the errors associated with BlockFi Loan No. 558207a5, and pressuring me into accepting BlockFi Loan No. 1a118e43, with a LTV ratio upwards of 90%, I believe that Agent 5 caused BlockFi Lending to engage in predatory lending.

16. **Lack of Access.** Upon information and belief, BlockFi Lending was understaffed, and their system often crashed when markets were volatile, causing many problems. This made it impossible for me, as a customer, to properly protect my collateral. BlockFi Lending could not have expected one hundred percent (100%) accuracy of posted collateral when their system wasn't functioning with anywhere near one hundred percent (100%) reliability. Often, at critical times, I could never reach anyone for assistance.

17. **Withholding of Key Records.** During the course of trying to protect my rights, I have sought, and been denied, critical information from BlockFi Lending, perhaps most notably the following:

- a. **Proof of Sales (“Sell Books”).** I have sought proof that BlockFi Lending sold my cryptocurrency through their forced liquidations, as they claim. In addition to confirming precisely what transpired with seized cryptocurrency collateral, BlockFi Lending’s sell books could also show the amount of volume at which BlockFi Lending was selling, which could establish that they were inducing LTV trigger events through mass liquidations which would invariably place downward pressure on cryptocurrency assets prices. Furthermore, BlockFi Lending’s sell books would provide needed disclosure as to how they operated. Genuine concerns were raised when Agent 7 implied that they are not actually a crypto-based lender, stating that “[s]imilar to other exchanges (non-defi), our transactions are done internally and are not recorded on-chain. The liquidations are done automatically when the Loan's LTV trigger hits.” *See Exhibit T.* Upon information and belief, this means that BlockFi Lending never sold cryptocurrency on-chain, which is critical because all cryptocurrencies are sold on a blockchain (“on-chain” is slang for blockchain), but rather that BlockFi Lending sought to act like other exchanges, meaning other licensed exchanges that don’t have to show their sell books because they are not a decentralized financial exchange. Therefore, BlockFi Lending’s sell books would reveal precisely what transpired with borrower accounts and posted collateral, and should be shown.
- b. **Payment History.** I reached out to Scratch to get my payment history, but was then told to contact BlockFi Lending. Then, once I contacted BlockFi Lending, I was referred back to Scratch. Scratch then asserted that I could retrieve this information in my Scratch account under “payment history,” however, my details are not there, and BlockFi Lending claims to not track this information. *See Exhibit U, Exhibit V, Exhibit W, and Exhibit X.*

D. Conclusion

18. As shown, BlockFi Lending prematurely and manually liquidated my account on many occasions. The “snowball effect” of these wrongdoings is the cause of my losses as reflected by my Claim. BlockFi Lending admitted these premature liquidations through email, phone, and text message conversations.

19. In addition to premature and manual liquidations (reserving discussion on whether my posted collateral was actually sold-off), BlockFi Lending made it virtually impossible for me to actively and accurately monitor my account. BlockFi Lending's systems were not operational at critical times, it lacked adequate staff to timely respond, office hours were not appropriate for a 24/7 market (only open 9-5 E.T., closed weekends and holidays). Even if crypto markets rebounded by the time BlockFi Lending opened for business, they would not allow cash-outs or the posting of additional collateral during off hours.

20. Furthermore, BlockFi Lending also acted as licensed financial advisors, which I relied upon to my detriment by continuing to refinance my LSAs. I believe that I was the victim of predatory loans, and was scapegoated to cover up their mistakes through their refinance agenda, which churned my collateral for future liquidations.

21. Lastly, I note that on September 11, 2023, I accessed the Debtors' voting platform via access hyperlinks provided by Kroll. My goal was to preserve my rights in light of how my Claim has been misunderstood by the Debtors as solely a claim for \$19.07 in connection with a BlockFi Wallet account. Unfortunately, the only options available to me were to select "accept the plan" or "reject the plan."

I certify that the foregoing statements made by me are true to the best of my knowledge, information and belief. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Date: September 13, 2023



JOHN W. VAN TUBERGEN JR.